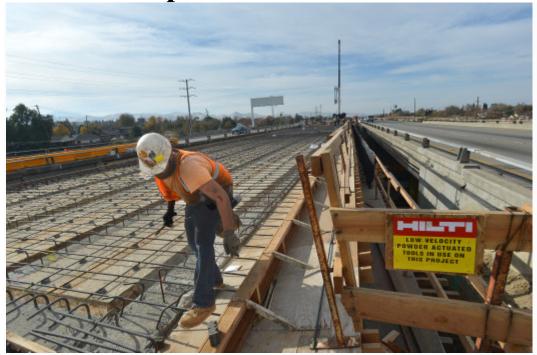
Contra Costa supervisors encouraged by economic report



(Dan Rosenstrauch/Bay Area News Group)

A worker ties rebar on the new bridge at Contra Loma and the Lone Tree section of Highway 4 construction in Antioch in November 2013. The author of a report requested by the Contra Costa Board of Supervisors said the rejection of a November transportation tax won't help encourage economic growth in the county.

By SAM RICHARDS | srichards@bayareanewsgroup.com |

January 14, 2017 at 9:00 am

MARTINEZ — A new economic outlook report commissioned by the Contra Costa Board of Supervisors offered mostly good news but reflects enough uncertainty over the possible ramifications of a Donald Trump presidency and regional housing and transportation concerns to keep the elected leaders on their toes.

The supervisors Monday saw a PowerPoint presentation from Christopher Thornberg, a founding partner of Los Angeles-based Beacon Economics, that provided some straightforward data on homebuilding, commercial activity, local and national jobs numbers and even foreign trade issues.

While the officials may get some useful information and perhaps even some general guidance from Thornberg's presentation, Supervisor Karen Mitchoff said she'll definitely want second opinions on much of Monday's information.

"Dr. Thornberg's reports are pretty much right on the mark," said Mitchoff, of Concord. "It's definitely useful information, but I always take my lead from county staff."

The supervisors have commissioned Thornberg's presentation each of the past several years. And this year, Thornberg said Contra Costa is going into 2017 "with good momentum."

"Contra Costa had a good year — 3 percent job growth, recovery's strong, it's looking good," he said the day after his presentation to the supervisors. "There's an ongoing mantra that Trump was elected because things aren't going well, and I try to reject that."

However, Trump's effects on Contra Costa's, and California's, economy are a big unknown, Thornberg said. "He's generally business-friendly, and (he) could be modestly good for the economy ... or substantially bad; California could really suffer if Trump kills some of these trade deals. It depends on what problems he tackles."

County programs could be directly affected in an administration headed by Trump, who has sent mixed signals on whether various social programs would retain federal funding or lose it.

"The county doesn't have a lot of wiggle room in its budget, and we depend on state and federal funding for most of our programs that might get impacted with a Trump presidency," said Supervisor Federal Glover, of Pittsburg.

Added Supervisor John Gioia, of Richmond, "I'm most concerned about health care, and Contra Costa is impacted by what happens at the national level. We're taking a wait-and-see approach."

Thornberg said the entire East Bay is in a housing crunch, but he's loath to call it an "affordable housing" crisis.

"It's a *housing supply* crisis, and California has a series of policies in place that make it difficult for housing to get built."

And it isn't only low-income people having trouble paying for a place to live, he added: "The issue is everyone's."

Mitchoff said the housing supply should get a boost in the next few years with construction of housing at the former Concord Naval Weapons Station property — more than 12,000 homes in the next several years, according to current plans. But she said this week it's jobs, more than houses, she is worried about.

"Here in Contra Costa, we need jobs. They're what keep people close to their homes," she said.

Thornberg's report shows an East Bay unemployment rate that has dropped from almost 11 percent in 2010 to just over 4 percent at the end of 2016. Spending on goods and services (other than fuels) in Contra Costa was up 2.6 percent from 2015 to 2016.

Thornberg said the failure in November of Contra Costa's Measure X to raise \$97 million a year for 30 years for major transportation projects will harm the county's ability to grow its economy. Gioia took that a step further, saying that, in the future, transportation spending will have to "provide linkage" to building houses in the right spaces, mostly infill.